SOUTH AMERICA.

Arrive.l of the Steamship South Amerian from Rio Janeiro.

THE PLATE WAR.

Millary and Naval Forces of the Allies Concentrating at Corrientes.

pavy Losses on Both Sides from Starvation and Disease.

THE SUPPOSED PEACE NEGOTIATIONS.

Official Corr espondence Between Preside ats Lopez and Mitre.

SKETCHE & OF THE BRAZILIAN CABINET.

Emil gration from the United States.

ALROAD ENTERPRISE IN BRAZIL.

The steamship South America, Captain Tinklepaugh, from Rio de Janeiro January 2, reached this port yester-Her news is most interesting, and will be found and in the letters of our correspondents published

Rio Janeiro, Jan. 2, 1868.

urns out that the mysterious letter of President s, of Paraguay, to President Mitre, Chief of the Ar-ne Confederation, to which I alluded in my last, h hifalutin, and repeated allusions to the dignity of correspondents. The "God preserve your Excellency lowing is a translation of the corresp

PRESIDENT LOFE TO PRESIDENT MITE.

HEADQUARTERS AT HUMAITA, Nov. 20, 1865.

Excellency the President of the Argentine Republication General Barnino Mite. General-in-f of the Allied Army:

length of the Allied Army:

thereal-in-chief of the Allied Armies at war with public, I have the honor to address the following it Excellency:—

confiscation of the public and private funds of those climans, as well those in their own possession as those on deposit in different banks; the imprisonment of the citizen Cypriano Ayals, a simple bearer of dispatches; the volent tearing down of the national coat of arms from the consulate of the republic, to be dragged through the streets; the public shooting at the edilgy of the President of the republic, and the casting of that edilgy and national shield into the river Parana, in public appetable at the port of Rozario; the atrocious murder committed by General Cacerce, in the village of Saladas, on the person of the second licutenant D. Marcellino Ayals, who being wounded fell into his power, and would not consent to raise his sword against his contrades, and the barbarous treatment with which the same General put an end to the days of licutenant Paus timo Ferrors, at Bella Vista; the barbarous cruelty with which the wounded in the battle of Yatay, have been put to the knife; and the sending of the Paraguayan deserter, Juan Gonzales, with the special and positive mission of assassinating me, have not been sufficient to alter my firm resolution not to imitate your Excellency in such barbarous and attrocious acts; and I never those the paraguage of the parag

stherwise the rights of war, and that prisoners would at least be respected in their sad condition and in their rights as such, as those of the allicid army are in this republic.

Your Excellancy has compelled prisoners, made in different rencounters, and particularly those taken at Yatay and Uruguana, to take up arms against their country thus increasing by thousands the effective forces of your army, making them traitors to deprive them of their rights as citizens, and taking away from them the remotest hope of returning to the bosom of their families and country, either by means of an exchange of prisoners or by any other transaction; and such as have remotest hope of returning to the theorem of their families and country, either by means of an exchange of prisoners or by any other transaction; and such as have reassed destroying their own country have been immediately and cruelly sacrificed. Those who have not shared such an inquitous is to have served other ends no less tabuman and repugnant; for a great number have been arried into Brazil and their reduced to servitude. This scorn, not only of the laws of war, but of those of humanity; this compulsion, as harbarous as it is infamous, that places Paraguayan prisoners between death and treason, between death and sharey, is the first example of the kind I knew in the history of wars, and it is to your Excellency, the Emperor of Brazil and the actual ruler of the Oriental republic, your allies, that the honor is due of producing and executing such horrors.

The Paraguayan government has never, by any of its scia, either before or after the war, provoked so much slively from the republic and Argentine Brazilian and Oriental citizens have had full iberty to withfraw with all their property from the republic and Argentine territory occupied by its gray, or to remain in these, as most convenient.

Thus my government respected the stipulations agreed spon in internalional treaties, when in war, without ever considering that such the observation of the same of the

their own country, the apparition of the Paraguayan mag in the ranks under your command, or any new sirectites against prisoners, will put as end to any consideration or deference on my part which I have till now known how to use, and, although with repughance, all Argentine, Brazilian and Oriental citizens, whether prisoners of war or not, found in the territory of the republic, or in whichever its army property the most rigorous reputsal. I await your Excellency's answer in the peremptory term of the rety days, to be delivered at the Passo da Patria.

PRANCISCO S. LOPEZ

PRANCISCO S. LOPEZ

PRANCISCO S. LOPEZ

HRADQUATERS, OFFOSTE BELLA VETA. NOV. 25, 1865.

To his Excellency the President of the Rejably; of Paraguay, Massnat D. Francisco S. Lopez—

I received the communication year Excellency addressed to me as General-in-Chirl of the allied army, from your headquarters at Hu-galta, under date of the 20th inst., in which, after referring to facts that you suppose not in accordance with the laws of war, perpetrated by the allied armies against the Paraguayan prisoners of the battle of Yafay and surrender of Uruguayans, as well as Others which your Excellence commerates, your Excellency invites me to the observance of those laws, intimating that you will use reprisals if the constrary be the case.

to different towns, and a portion of them destined to passive service in the field hospitals, where their own comrades were being cured. It is true that many of them
have had ingress into the ranks of the ailled army, but
by their own will and their having requested it, a favor
which could not be dealed them, when their countrymen in the territory of the allied nations had spoutaneously begged to be armed as soldiers, and their right
as such had been acknowledged.

These are the principal charges that your Excellency's
note contains. What I have said is sufficient, not only
to destroy them, but also to cause the responsibility
for acts of barbarity to fall on him who has committed them, and that, unfortunately, have occurred in the present war. I might also say the
same in regard to the isolated facts which
your Excellency has mentioned; but the falsity of some
and exaggeration of others is so notorious that it would
be idle to enter upon a refutation of them; much more
being in open war, as we are, and the question having to
be decided by arms. Your Excellency will comprehend
that this is not a time for recriminations.

In terminating I will add that I cannot understand
how your Excellency can believe what is said of the
Parsguayand deserter, Juan Gonzales, if such a deserter
has existed, it being remarkable that even for the honor
of the position your Excellency has placed itself in

In terminating win and that I cannot understand how your Excellency can believe what is said of the Paraguayan deserter, Juan Gonzales, if such a deserter has existed, it being remarkable that even for the honor of the position your Excellency has placed itself in, in that republic, you should have consigned in a serious note and with your signature, the fear of the dagger wickedly directed by the hand of an Argentine general. I declare to your Excellency that I do not believe you capable of attempting to take my life in such a manner, because being in the habit of always doing this honor to the generals of the enemy I have had to encounter, I am compelled to do the same towards your Excellency. As a consequence of all I have mentioned, and as a prevention against the abuses which your Excellency may commit, and which the spirit of your note makes me forcese, I formally declare to your Excellency that the safeguard of the lives of Argentines, Brazillans and Orientals whom your Excellency may have taken by chance or treachery, and not in an open and loyal struggle, in which your Excellency has not had yet the fertune of making a single prisoner, will be your Excellency personally. It not-withstanding your Excellency should employ means not in accordance with those that are regularly recognized in war, your Excellency will have placed yourself deliberately not stood and the sum of the su

BARTHOLOMEW MITRE.

The allied armies, by latest advices, were continuing on their march. The Brasilians, under Osorio, had arrived on the Parana, at Empedrado, twenty-five miles from Corrientes and about sixty from Passo da Patria. About eight thousand troops, in vessels ascending the Parana, abould join them there, and likewise about four thousand from Ro Grande, which had already crossed the

thousand from Ro Grande, which had already crossed the Santa Lucia on their march. The Argentine army was at Relia Vista, and General Flores, with four thousand infantry, six hundred cavairy and ten pieces of cannos, was pushing on for Tranqueirs de Loreto.

The great difficulty of the day was the provisioning of these forces. The Entre Rians, who had the chief contracts for beef, were, it is said, holding back the cattle, and it was reported that the Argentizes had to slaughter numbers of the army draught cattle; and Admiral Tamandare had seet up three hundred thousand rations to the Brazilian forces.

The Paraguayans had sent over some troops at Passed da Patria into Corrientes, and for a time a great deal of fear existed in the city of Corrientes, and Cacerres had furtoughed the greater part of his command; but the Paraguayans had made no advances towards it, stationing themselves within the timber along the giver at that point.

stores were all open, as on any other day. Nothing de Holy Innocents. Beyond the daily mass, there was no observed by the more faithful among the ciergy of the

THE ERIZILIAN MINISTRY. residents from the United States, at a short article which appeared in the Heraid of a date late in November, based on statements made in Southern papears to the effect that there is not a pure white man in the Brazillan Ministry, but that they are all blacks and mulattoes. The design of these papers was evidently to discourage emigration to Brazil. Whether emigration from the United States, North or South, is desirable or not, is a question apart; but it is wicked to misrepresent matters with the view of either encouraging or discouraging such a movement. I have been at some pains to become acquainted with the personnel of the members forming the present ministry of the Emperor Don Pedro the Second. Here it is, in brief. It speaks for itself:—THE PREMIER—PEDRO DE ALANJO LIMA, MARQUES DE OLINDA.

This gentleman is a Portuguese by birth, and was one of the most prominent members of the colonial government when Brazil was a dependency of Portugal. In 1823 he was a member of the Constituent Assembly (Convention) appointed to frame the constitution of the new empire. He was a minister of the empire and Premier in 1827, 1828 and 1837, Minister of Justic ein 1822, of Foreign Affairs in the same year, Premier again in 1857, in which year he became sole Regent. The Marquist is decorated with the Grand Cross of the Legion of Honger. He is also a Knight of the Order of Christ, and has several foreign decorations. Besides, he is well and favorably known in the several diplomatic circles of Europe. His Excellency

of St. Paolo. Senator Aranjo is o. Totalegae.

and is a pure white.

FOREIGN AFFAIRS—JOSE ANTONIO SARAIVA.

A Deputy from Bahis and Councillor of State. A special envoy to the River Plate to treat with the government of Uraguay in 1864-65. In 1857 he was Minister of Marine. He is a brother of the Hishop of Marankar, one of the finest orators in the country. His acquaintance with Europe is very extensive, through many years residence there. He is of pure Portuguese descent, of a noble family and thoroughly white.

FINANCE—JOSE PEDIO DIAS DE CARVALHO.

Senator from Minas, his native province, one of the most ultra white districts of the whole empire. He is a self-educated man, "born of poor but honest parents."

He is a lawyer of distinction, has traveled in Europe and

self-educated man, "born of poor but hones parents."

He is a lawyer of distinction, has travelled in Earope and is well versed in the affairs of the outside world, of course Senator de Carvaho is a pure white.

MARINE—PRANCISCO DE PAULA DA SILVITA LODO, deputy for the Province of Minas, and white.

WAR—ANGRAO MONE DU SILVA FERRAS, "WAR—ANGRAO MONE DE SILVA FERRAS, "WAR—ANGRAO

they vainly looked for there or were effered in Australia or New Zealand.

I recently enjoyed a trip over the mountain railroad from this city to a distance of eighty-five miles, on the invitation of Major A. V. Ellison, ex-chief engineer of the road, and a real live American. The cars on this railroad are of English make, each car consisting of three compartments, entered from the side, each compartment containing eight seats; the doors are locked, after the English fashion. The cars on the Rio Janetro road consist of first, second and third class.

The first five or six miles from the city was over a rolling country, picturesquely diversified with hills and cales, and dotted here and there with farmhouses and villus. The land is cultivated, chiefly in "cassin"—the Guinea grass of the British West Indica—which affords the most luxurious pasturage for horses and cattle. On our route we passed the slaughter houses, which, unlike those of New York, are judiciously situated far outside

your former northeast course below you, scarcely beyond biscuit throw, but miles away, with a valley hundreds of feet deep separating you from the road you lately passed over as completely as the great gulf did Dives from Lazarus.

biscuit throw, but miles away, with a valley hundreds of feet deep separating you from the road you lately passed over as completely as the great gulf did Dives from Lazarus.

TROPICAL MOUNTAIR SCENERY.

As we entered the mountain forests the scenery assumed a grander aspect than before. Here the vegetation began to exhibit nobler dimensions. Palms of innumberable varieties met the view on every side—save the coconnut, which seems to be scarce in this province; the trumpet tree, the bark of which is capable of being made into very strong cordage, abounds overwhere; the guava, celebrated for its jelly and marmalade, and the coashew, for its singular fruit, with the most exquisite nut that exists, grow to a vast size and in great profusion. Gorgoous ferns and orchideous plants line both sides of the road, and the profusion of wild flowers, from the humble creeper to the crimson or yellow biossom of the majestic tree, greet you on all sides. Coffee plantations, dotting the mountain sides, are seen as you progress, some of the trees bearing flowers of virgin white, indicative of the coming crop, while the greater part exhibit symptoms of having attained maturity. What I said in a former letter about the careless manner in which coffee is cultivated in Brazil—without pruning—is confirmed by actual observation. A person unacquanted with coffee planting, on seeing one of these gigantic fields of coffee, will be apt to excalain, "What a magnifocas sight! How regularly are the trees set out!" True, for the stranger; but what's the use? The trees are overgrown, they are too tall, and difficult to pick. The coffee is always a slender tree, however old. Its branches do not admit of climbing, for they are too alight; consequently a great deal is lost in labor in picking alone; then there is the loss of foliago being allowed to run to waste; and, again, the berry must be and is of an inferior order when foliage is allowed to take the place of herry.

During our mountain journey we passed through fourteen tunnels of diffe

at the city of Campoe, north of Rio, are divided. In fact, one mountain stream runs down one side of the mountain, and another down the other side.

From this point we began to descend on the other side of the mountains, to the valley of the Sacratamilla. Here we found a fine bridge thrown over the banks of the Parahyba river, at the new and thriving town of Parapirahy. This last stage, a distance of twelve miles, is a mountainous region, well stocked with coffee plantations. This point is sixty-eight miles from the Rio terminus. It thence bifurcates, according to the original project—first, the St. Paolo branch, following the valley of the river upwards of ninety-four miles, following the river downwards—the distances being calculated from Rio. On the latter branch we descended fitteen miles to a magnificent bridge of stone and iron over the Parahyba river, which our party were the first to cross. Here we were received with a perfect shower of rockets and crackers, in broad daylight, according to the fashion of the country. We returned to the city without making much stay, arriving at half-past six o'dock in the evening, having been just twelve hours on our journey over the most mountainous roads, saving the Alleghany, perhaps, that the iron horse has evergicrossed.

But a great portion of this really noble railway is merely provisional. All along the mountain sides very ugly landslips are to be seen, and in several places pites are driven into the ground to prevent such landslips, as if such precautions could ever be effective. A better expedient is the new tunnel, of which I have already spokes, and which was opened by the Rapperto on the 17th inst. As I was not present in all the following gecounts from the Angle-Brasilian Times, fully describing the work and the overmonies:—

The formal expension of the really noble railway is morely pugnet the Parahyba at December, or the present there is a perial Majorator of TRI Parahyba in December, or the proposition of the landslips, as if such precautions or TRI Par

and a number of distingues and the consisting of two carriages and from S. Christovao at five minutes past six A. See a form S. Christovao at five minutes and the carriage in the past six and past of the secretary states and the consistency of the secretary states and the carriage of the secondary states and the grand engineering work by passed above through it. This grand engineering work by passed above through it. This grand engineering work by passed above through it. This grand engineering work at its length, at least, is lines and if feet high; and for one at the length, at least, is lines and if feet high; and for one at the length, at least, is line and if feet high; and for one at the length, at least, is line and if feet high; and for one at the length, at least, is line and if feet high; and for one at least, is line and the security of the station of Vassouras, where it was received by if sudepast of the district, the President delivery and the security of the district, the President delivery and the security of the security of the district, the President delivery and the security of the secur

The other railroads of Brazil are the Pernambuco, eighty miles; the Bahla, eighty miles; St. Pablo, not un full operation, eighty miles; Mana, the oldest in Brazil, twelve miles, from a point on the bay of Rio Janerio, six miles from Petropolis.

The Conde d'Eu has formally notified his refusal to receive any pay for his rank as Field Marshal of the empire.

david—
We are glad to announce that the New York Herald
has sent out a special correspondent to study the condition of Brazil and La Piats and their advantages as a field
of emigration. Mr. B. has arrived at Rio Janeiro, and
writes us he will soon visit Buenos Ayres. He is wel-

at Montevideo.

MARKER

There is very little demand for fish; a lot of hake sold at \$3.50 per qtt., and herrings at \$4 per bbl.

No sales in lumber and shingles since the 15th.

Freights are slack, with but few engagements. Last rates, Hayti to United States, \$5.50 and \$5 gold; Hayti to Europe, coffee 23. Exchange—Banks drawing rate 90 days, on London, \$4.97\frac{1}{2}; sales drawn bills 90 days, on London, \$4.00 a \$4.22\frac{1}{2}; sales bills 90 days, on Paris, 5 francs, 5.05. Specie—American gold 1\frac{1}{2} a 2\frac{1}{2} per cent on slidimports.

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A REGULAR MEETING OF THE PHOTOGRAPHERS'
Protective Union will be held at Cooper Institute (room
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business of importance will be brought before the meeting.
J. GROTECLASS, Sec. THOS. H. JÜHNSON, President. CORNS, BUNIONS, BAD NAILS, &C., CURED WITH-out pain by Drs. RICE & HART, 88 Bowery, corner Canal. RICES Annihilator cures Corns, Bunions, Chil-blains, Prosted Feet, &c. By mail, 59c. and \$1.

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de. For sale at 98 Bowery, and by all principal druggleis.

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WORTH THE CHARM.

PORTRAIT OF MAJOR OATMAN.

PISHING MONKEYS.

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HIMLIGHES BERRIES. (Illustrated.)

REMARKABILE LONGEVITY.

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SACING FIRM INDIANS.
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ENCAPE, FROM INDIANS.
HILL LUCKY DUKKING POEM.
HILL LUCKY DUKKING POEM.
HILL LUCKY DUKKING POEM.
MY GHOSTLY VISITOR.
PURCHASHING APPIJAUSE.
HOW CAN YOU HAVE IT.
A BELLIGERRENT BULL ON THE ICE.
CHINESE BOYS ON THE ICE. (Illustrated.)
HISTORICAL CHARACTERS.—Biographical Sheiches of
HAUMBER. HOW CONTAINED.

Hamilbal, "Certantes," "Ledy Jane Gray, in the Constitution of the

OUR TAXES.

Special Report of the Revenue Commission.

Their Proposed Modifications of the Internal Revenue Lawn

to one Dollar per Gallon.

Reduction of Tax on Distilled Spirits

Tax on Cotton of Five Cents. per Pound.

Repeal of the Excise on Refined Sugars and

Increase on the Raw Material. STRINGENT MEASURES FOR WALL STREET

Tax on Brokers' Sales Reduced to One Hundredth of One per Cent.

One Thousand Dollars Income to be Exempt.

The Tax on Pianos, Watches, Silver Ware, Carriages, Books, Pamphlets and Wearing Apparel to be Repealed.

A Revenue of Three Hundred and Seventy Millions Proposed Against Two Hundred and Eleven Millions Under the Present Uystem.

Important Changes in the Custom House and Treasury Departments.

Secretary McCulloch submitted the report of the In-ernal Revenue Commission to the House to-day, ac-TREASURY DEPARTMENT, Jan. 29, 1866

To Hon. SCHOYLER COLFAX, Speaker House of Repre

The Revenue Commission appointed by the Secretary of the Treasury in accordance with the provisions of the act of March 3, 1865, to inquire into and recommend such modification to the present law as may be necessary in order to supply the wants of the government reported through the Secretary of the Treasury to Con-